

**CALENDAR ITEM
C93**

A 80
S 40

06/23/11
PRC 6405.2
J. Porter

AMENDMENT OF LEASE

LESSEE:

San Diego Gas and Electric Company
8335 Century Park Court, CP-11D
San Diego, CA 92123

AREA, LAND TYPE, AND LOCATION:

15.719 acres, more or less, of Indemnity school lands located in Lot 7 and Lot 18, Tract 58, Township 16 South, Range 9 East, SBM, west of Ocotillo, Imperial County.

AUTHORIZED USE:

Construct, operate, and maintain a 500 KiloVolt (kV) overhead transmission line and all appurtenant facilities thereto.

LEASE TERM:

49 years, beginning March 15, 1983.

CONSIDERATION:

\$393 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Delete in its entirety the land description contained in Exhibit A of the lease and replace it with the land description as set forth in Exhibit B of the calendar item; revise the rent from \$393 per year to \$113 per year, effective June 23, 2011. All other terms and conditions of the lease shall remain in full force and effect without amendment.

OTHER PERTINENT INFORMATION:

1. At its meeting of April 28, 1983, the Commission approved the issuance of Lease No. PRC 6504.2, a General Lease – Right of Way Use, to San Diego Gas and Electric Company (Lessee) to construct, operate, and maintain a 500 kV overhead transmission line.

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2. During a routine five-year rent review, staff discovered an error in the land description of the original lease. The purpose of this amendment is to correct that error. The original land description for the lease premises covered an area of 15.719 acres, which erroneously included land not under the jurisdiction of the Commission. The correct area of the lease premises is 4.55 acres; this is the area shown in the revised land description in Exhibit B. Staff and Lessee have agreed to accept mutual responsibility for this error and no rent refund or credit will be due to Lessee as a result of this error.
3. Staff conducted a rent review based on the revised lease premises. Based on the new land description and the rent review, staff recommends annual rent in the amount of \$113 per year, with the State retaining the right to fix a different rent periodically during the lease term. All other terms and conditions of the lease shall remain in full force and effect without amendment.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060 (c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 1560 (c)(3) and 15378.

5. This activity involves lands identified as possessing significant environmental values pursuant to public Resources Code sections 6370, et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification

EXHIBITS:

- A. Site and Location Map
- B. Land Description

RECOMMENDED ACTION:

It is recommended that the Commission:

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CEQA FINDING:

Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060 (c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code sections 6370, et seq.

AUTHORIZATION:

Authorize the amendment of Lease No. PRC 6405.2, a General Lease – Right of Way Use, of Indemnity school lands located in Lot 7 and Lot 18, Tract 58, Township 16 South, Range 9 East, SBM, Imperial County, to delete in its entirety the land description contained in Exhibit “A” of the lease and replace it with the land description as shown on Exhibit A (for reference purposes only) and set forth in Exhibit B hereto, both attached and by this reference made a part hereof; revise the rent from \$393 per year to \$113 per year, effective June 23, 2011; all other terms and conditions of the lease shall remain in full force and effect without amendment.